



Department of Justice

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**FORMER MATTEL, INC. CONSULTANT PLEADS GUILTY TO
CAUSING THE SUBMISSION OF FALSE FINANCIAL STATEMENTS TO
THE FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. – Acting Assistant Attorney General John C. Richter of the Criminal Division announced today that Alan M. Schwartz, a former consultant to Mattel, Inc., pleaded guilty to a single count of causing the submission of false statements to the Federal Election Commission (FEC), in violation of 18 U.S.C. § 1001. The plea hearing took place before the Honorable Ricardo M. Urbina, U.S. District Court Judge, District of Columbia.

In 1996, Schwartz, through his company AMS Consulting, Inc., was hired by former Mattel, Inc. Senior Vice President Fermin Cuza to provide consulting services for Mattel in connection with matters involving Mattel's relations with representatives of state and federal government. Beginning in 1997, Schwartz and Cuza began making campaign contributions to various California based candidates for state and federal office. The vast majority of these contributions were made in Schwartz's or Cuza's name, while the remaining were made in the names of straw donors or conduits, most of whom were Cuza family members or associates. Schwartz, through AMS Consulting, then billed Mattel, under the guise of "consulting services" or "international trade services," in the amount of the contribution and any related expenses. Upon Mattel's payment of the AMS Consulting invoices, Schwartz was reimbursed for those contributions made in his name. He would then reimburse Cuza for the remaining contributions.

Under the Federal Election Campaign Act (FECA), the responsible officials of each federal political committee were required to file periodic reports with the FEC. In each report, the responsible official was required to state the contribution's true source and the date and amount of the contribution. Under the FECA, corporations were prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. The FECA also prohibited the use of conduits, or straw donors, as a means of circumventing the prohibition against corporate contributions.

In the plea documents, Schwartz admitted that between March 1997 and November 2000, he and Cuza made \$102,214 in contributions to 31 separate federal campaign committees. In turn, the responsible official of each committee submitted reports to the FEC that falsely characterized the contributions as being funded by the individuals listed when in fact the contributions were funded through Mattel's general treasury funds. Schwartz, 57, of Los Angeles, California, pleaded guilty to causing the reporting official of one of those campaign committees to submit false reports to the FEC. Cuza, 56, of Palm Desert, California, pleaded guilty to the same charge at an April 2005 hearing in the Central District of California.

In November 2002, Schwartz and Cuza entered into conciliation agreements with the FEC, in which each admitted to knowingly and willfully committing the conduct outlined above. Schwartz agreed to pay, and has since paid, a civil penalty in the amount of \$195,000. Cuza paid a civil penalty of \$188,000.

The charge of causing the submission of false statements carries a maximum penalty of five years in prison and a \$250,000 fine. Judge Urbina set sentencing for Sept. 19, 2005.

The case was investigated by the Federal Bureau of Investigation. The case is being prosecuted by Mary K. Butler and Natasha Tidwell of the Public Integrity Section of the U.S. Department of Justice, headed by Section Chief Noel Hillman.

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